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Date: _3 February 2000_ By: _____

Vladimir Skliba

Box Patent Application
Assistant Commissioner for Patents
Washington, D.C. 20231

NEW PATENT APPLICATION TRANSMITTAL

1.   Transmitted herewith for filing is a utility patent application

   a.   Inventors: Amir ALON and Ilan JUDKIEWICZ

   b.   Title: METHOD AND APPARATUS FOR CREATING AND MANAGING GROUPS FOR INCREASING BUYING POWER ON THE WORLD WIDE WEB

2.   Enclosed are:

   a.   28 sheets of description, claims and abstract

   b.   5 sheets of formal drawings

   c.   2 Executed Declarations and Powers of Attorney

   d.   3 Assignment Recordation Cover Sheets

   e.   3 Assignments

   f.   Check 10659 in the amount of $2424.00

   g.   Return Postcard

3.   This application is a conversion application of provisional application number 60/119,220 filed on February 8, 1999.

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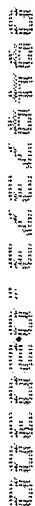
4. The filing fee for this utility application has been calculated as shown below:

FOR:	Claims Filed	Extra Claims[1]		Small Entity Rate	Fee	Other Than a Small Entity Rate	Fee	Total Filing Fee
Basic Fee				$345		$ 690		$ 690.00
Total Claims	88	-20=	68	$9		$18	$1224	$1224.00
Independent Claims	8	-3=	5	$39		$78	$ 390	$ 390.00
Multiple Dependent Claims Presented				$130		$ 260		
TOTAL								$2304.00

Other fees:

Assignment Recordation Fees (3 * $40)   **$120.00**

TOTAL FEES: **$2424.00**
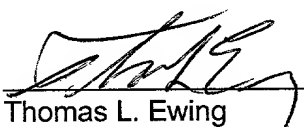
5. The Commissioner is hereby authorized to charge any underpayment of the following fees associated with this communication, or credit any overpayment to Deposit Account No. 03-3117:

[X]   Any national application filing fees under 37 CFR 1.16.
[X]   Any patent application processing fees under 37 CFR 1.17.

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METHOD AND APPARATUS FOR CREATING AND MANAGING GROUPS FOR INCREASING BUYING POWER ON THE WORLD WIDE WEB

5   BACKGROUND OF THE INVENTION

The instant application is a conversion application of provisional application number 60/119,220, filed on February 8, 1999, entitled METHOD AND APPARATUS FOR CREATING AND MANAGING GROUPS FOR INCREASING BUYING POWER ON THE WORLD WIDE WEB, listing as inventors Amir ALON and Ilan JUDKIEWICZ.

10   1.   Field of Invention

This invention is concerned with a method and apparatus for creating and managing consumer buying groups on electronic networks such as the Internet.

2.   Description of Prior Art and Benefits of the Invention

Lawrence Lockwood, US Patent No. 5,576,951, describes an in-store automated
15   sales and service system.   In this system, the software generates a personalized sale presentation based on historical user data. Many such systems already exist on electronic networks such as the World Wide Web.   See www.dell.com or www.amazon.com for further examples. Many sales organizations today operate two separate sales channels for direct sales and support, respectively. For example, a sales organization may have a call
20   center, such as a telephone call center that allows a customer to call in and speak with a sales person, that coexists with, but is not integrated into, a web site on which the customer can automatically and interactively choose a product and configure his purchase.

Figure 1 describes a typical process in which a consumer searches for a product
25   and looks for competitive deals between a variety of vendors. A consumer first chooses a product category, e.g., VCRs (Step 101).   The consumer next uses an on-line product

comparison service to identify a set of product features of interest to the consumer and the relative importance of each feature (Step 103). Either formally or informally, the consumer arrives at either a single product of interest (*e.g.*, Sony VCR Model No. 1460) and/or a list of product parameters important to the consumer. The consumer then

5 searches for current retail prices for the specific product of interest or for products satisfying the product parameter list (Step 105). The consumer's search will eventually lead to a choice of whether he/she should purchase a product or not (Step 107). If the consumer decides to purchase the product (Step 107), then the consumer will buy the product from the selected merchant vendor (Step 109). Otherwise, the consumer will

10 choose not to make a purchase (Step 111).

Another popular shopping process comprises using an online auction system, such as uBid.com or eBay.com. In such systems, the seller provides a limited quantity of certain items to be sold to the highest bidder.

In addition, US Patent No. 5,794,207 to Walker et al. describes a method and

15 apparatus for effectuating bilateral buyer-driven commerce. In Walker's invention, the prospective buyers of goods and services communicate purchase offers globally to potential sellers, allowing sellers to search conveniently for relevant buyer purchase offers, and for sellers potentially to bind a buyer to a contract based on the buyer's purchase offer.

20 It is well known that when a buyer makes a purchase in a large quantity he can typically receive a better price than a purchase in a small quantity. What is missing in the prior art is a method and apparatus to bring together many individual buyers to form a group so that they may together seek the best deal from the sellers.

It would therefore be desirable to provide a method and an apparatus for creating

25 and maintaining groups of buyers.

It would further be desirable to provide a mechanism and tools for the interaction of a buying group and various sellers.

SUMMARY OF THE INVENTION

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Embodiments of the invention provide a method for using a computer to facilitate a sales transaction for the purchase of a product/service by a group of buyers from one or more sellers. The computer receives requests to purchase the product/service from buyers in the group. A collective request can be formed for purchasing the 10 product/service using the received buyer requests. The collective request is sent to the seller who may in return send a suggested price quotation for the product/service. An agent entity is notified about the received suggested price whereupon buyers may decide to authorize the purchase of the product/service at the seller's suggested price quotation. The agent entity may be a buyer or the group itself, for example.

15 Embodiments of the invention also provide a method for using a computer to facilitate a sales transaction for the purchase of a product/service from one or more sellers. A seller may provide an agreed price for the product/service and/or a price reduction for the product/service on the basis of a group size. The computer may then receive requests to purchase the product/service by buyers, the buyers collectively 20 forming a group. Monitoring of the group's size determines when/if the group has attained the size associated with the seller's agreed price or price reduction. If the appropriate group size is reached, then payment information may be provided to the seller.

Embodiments of the invention further provide a computer-readable data 25 transmission medium containing a data structure that facilitates a sales transaction with a seller. The data transmission(s) sent to the seller may comprise a first portion that

specifies a product/service for purchase by a group of buyers; a second portion that specifies a collective request by the group to purchase the product/service; a third portion that requests price information for the product/service from the seller; a fourth portion that specifies a time interval for which the collective request will remain active, and a

5   fifth portion that specifies at least a minimum sales quantity for the product/service for which price information is requested.

Embodiments of the invention still further provide a computer-readable data transmission medium containing a data structure that facilitates a sales transaction with a buyer. The data transmission(s) sent to the buyer may comprise: a first portion that

10   specifies a product/service for which purchase has been requested by the buyer; a second portion that identifies a group into which the buyer's purchase request has been joined with other purchase requests for the same product/service; a third portion that identifies a price quotation for the product/service received from a seller; and a fourth portion that asks the buyer if the buyer will commit to purchasing the product/service at the identified

15   price quotation from the seller.

Embodiments of the invention additionally provide a computer-readable medium having computer-executable instructions for using a computer to facilitate a sales transaction for the purchase of a product/service by a group of buyers from at least one seller. The computer receives requests to purchase the product/service by buyers in the

20   group. The computer forms a collective request for purchasing the product/service based upon the received buyer requests. The computer sends the collective request to the seller who may respond with a suggested price quotation for the product/service. The computer notifies an agent entity of the received suggested price quotation and may receive authorization from buyers for the purchase of the product/service at the seller's suggested

25   price quotation.

Embodiments of the invention also provide a computer-readable medium having computer-executable instructions for using a computer to facilitate a sales transaction for the purchase of a product/service from at least one seller. A seller may provide an agreed price for the product/service and/or a price reduction for the product/service on the basis of a particular group size. The computer may then receive requests to purchase the product/service by buyers, the buyers collectively forming a group. The computer may monitor the group's size to determine if the group has attained the size associated with the seller's agreed price or price reduction. If the computer detects that the appropriate group size has been reached, then payment information may be provided to the seller.

Embodiments of the invention also provide a system for facilitating a sales transaction for the purchase of a product/service by a group of buyers from at least one seller. A purchase request receiver receives a request to purchase the product/service by buyers in the group. A collective request former builds a collective request for the purchase of the product/service based upon the received purchase requests. A transmitter sends the collective request to at least one seller. A price quotation receiver receives suggested price quotations for the product/service from sellers. A price quotation notifier notifies an agent entity of the received suggested price quotations. The agent entity may be a buyer in the group or the group, for example.

Embodiments of the invention additionally provide a system for facilitating a sales transaction for the purchase of a product/service from at least one seller. A memory retains an agreed price for the product/service from at least one seller or a price reduction for the product/service for a particular group size from the seller. A purchase request receiver receives requests to purchase the product/service by buyers, the buyers collectively forming a group. A group monitor monitors the group to determine when/if the group attains the group size associated with the seller. A payment provider provides

payment information to the seller if the group monitor indicates that the group has attained the appropriate group size.

BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 illustrates a prior art searching procedure used by a consumer to search for and purchase a product of interest.

FIG. 2 illustrates high-level steps occurring in the formation of a group, according to an embodiment of the invention.

FIG. 3 illustrates an exemplary communications process occurring when a group is formed, according to an embodiment of the invention.

FIG. 4 provides an overview of the process by which customer commitment may be acquired, according to an embodiment of the invention.

FIG. 5 provides a detailed example of the processes handled by the system controller, according to an embodiment of the invention.

DETAILED DESCRIPTION OF AN ILLUSTRATED EMBODIMENT OF THE INVENTION

Embodiments of the invention provide a method and an apparatus for effectuating the creation, lifetime management, and eventual dissolution of groups that pursue, or intend to pursue, the purchase of products and services. Embodiments of the invention allow prospective buyers of goods and services to communicate their desire to create such groups, to set-up the groups, and to specify the groups' objectives, agenda, and timing parameters. Embodiments of the invention further facilitate the escalation and final commitment of group members to a purchase order for one or more products/services by their group.

Embodiments of the invention support the interactive negotiation with a vendor or multiple vendors by the apparatus or group members, during which process both the group commitment escalates and the vendor's bid for the group's purchase improves.

Embodiments of the invention also support the notification of both a group of sellers and a group of buyers regarding the group's bid/commit status.

Embodiments of the invention further support the secured, regulated transmission of an aggregate transaction information package, including information about multiple credit cards, multiple methods of payment and multiple billing and shipping addresses from a single source to a vendor.

Embodiments of the invention may also support the assignment of roles to participants of the group.

These and other objects of the invention may be achieved by providing, for example, a software package and Web services that collectively accomplish for an exemplary group purchase:

- Creating groups of buyers,
- Adding new members to an existing group,
- Notifying buyers of pre-negotiated deals for group purchase,
- Notifying various vendors about the group and collecting vendor bids,
- Notifying buyers of existing vendor bids,
- Receiving buyer commitments to buy,
- Closing the deal with the vendor(s),
- Collecting member payment data, and
- Delivering payment data to the selected vendor(s).

Figures 2-5 of the drawings illustrate preferred embodiments of a method and system for implementing the invention. Of course, an ordinarily skilled artisan will recognize alternative methods of accomplishing the invention described herein.

Figure 2 illustrates the process by which a group may be formed and how a buyer may join the group, according to an embodiment of the invention. The buyer can select private or public groups (Step 201). Private groups may be controlled via password and ID, for example. A company Intranet, for example, can provide private groups for its employees. Once the buyer has located and entered the web page for group information, he can browse or search (step 207) existing groups to see if any existing groups have been formed for purchasing the same product in which he is interested. The browser-supported search (step 207) may, for example, be undertaken by "product category," "geography," and/or "vendor," as well as other group parameters, such as its size and formation date.

The buyer can also search a database of pre-negotiated group deals (step 203). Typically, such deals will provide the price or discount amount that various vendors are willing to accept for specific products or product lines for certain group sizes. Sony, for example, may be willing to provide 10% discount on all products for groups exceeding 100 buyers.

If a group is found (step 209), the buyer can join the group by providing his information (step 211). If a group does not exist (step 209), the buyer can create the group by specifying the product that he is seeking (step 213). Of course, the buyer may simply create the group without first conducting a search (step 205).

Figure 3 illustrates exemplary procedures associated with creating a group and related communications, according to an embodiment of the invention.

Forming the group may include the steps of specifying price targets or ranges (step 301) and specifying deadlines for joining the group and/or receiving purchase commitments from members; deadlines for receiving vendor offers, and/or deadlines for closing the deal (step 303). Once a new group is formed, relevant vendors may be notified (step 305), as well as friends or other potential buyers (step 307) as part of concluding the group set-up procedure (step 309).

The notification processes associated with embodiments of the invention, such as steps 305 and 307 above, can be carried out in a variety of ways, including but not limited to e-mail messages, Internet immediate messaging, voice messaging, beeper messaging, and facsimile transmission. Also, the vendors and group members can log into the web site at any time and review the current status.

Figures 4 and 5 illustrate the communication and decision processes by which the price negotiation between the group and the vendor(s)/seller(s) is conducted, according to an embodiment of the invention. In Figure 4, the vendor(s) can either search for active groups of interest (step 401) or receive automatic notification each time a relevant group is formed (step 403). The vendor(s) can submit a bid at any time (step 405). Bids which are submitted before the formation of the group can specify pre-negotiated prices and discounts if the group attains a certain size. Group members are notified of the best bids (step 407) and may use such information in making individual commitment decisions (step 413).

Vendors may review bids submitted by other vendors and/or review the status of their own bid position (step 411). Of course, other vendors may also receive notification regarding bids submitted by other vendors (step 409). An iterative process may ensue in which subsequent bids from various vendors result in lower bid prices, as indicated by the arrows shown between steps 405 and 411. Moreover, as vendors' bid positions become more favorable to the group, more and more individual group members may

commit to the group purchase, as indicated by the arrows between steps 411 and 413.

Figure 5 illustrates in further detail interactions between vendors and group members and how such interactions may be controlled, according to an embodiment of the invention. Communication messages between vendors 501-507 and group members 513-519 may be relayed through a central system controller 509 that runs the software and provides the communication medium between the vendors 501-507 and the group members 513-519. This process can be monitored automatically or manually. A system clock 511, for example, can be used to check for deadlines. As a skilled artisan will recognize, the central system controller 509 may comprise a computer, such as a personal computer, and/or a dedicated hardware device.

The communication between the vendors 501-507 and the members 513-519 may include the current status of the groups, such as the total number of members, the number of committed members, the current bid, etc. Communications from the vendors 501-507 may include new bids. Communications from the members 513-519 may include commitments to buy at the current bid or at a certain price point, as well as messages withdrawing from the group message.

A group may be designed to have a minimum mass group commitment requirement, such as a requirement that a single member express a desire to purchase a product/service (step 523). Member commitment may be gauged in a variety ways (step 521). For example, a group member may submit a "limit order" indicating commitment at a particular price and/or a group member may submit a "market" order indicating commitment to a purchase at the market price. As members commit to the group purchase, their purchase information, such as credit card numbers, may be collected (step 527). The system controller 509 may include functionality for collecting and retaining the payment information. In addition, as discussed above, the payment information may be collected in a secure manner to prevent unauthorized use of such information.

As previously discussed, an iterative negotiation process typically facilitates the determination of the price for the product/service desired by the group and its members. The negotiation process may comprise one or more negotiation rounds between the vendors 501-507 and the group members 513-519 (step 525). The system controller 509 may include functionality configured to support the negotiation process, as indicated by the arrows between the vendors 501-507 and the system controller 509 and the group members 513-519 and the system controller 509.

Once at least one group member 513-519 and one vendor 501-507 have met at an agreed upon a bid, the deal may be closed (step 529). Again, the system controller 509 may include functionality configured to support the closing process. The deal closing typically comprises collecting and transferring payment information to the vendor who then processes the purchase orders (step 531). The payment information, preferably by credit card number, can be collected from the buyer at various times as discussed above, including sign-in time and just prior to closing. A check to make sure that the funds are available can be made before submitting the payment or payment information. Alternatively, the payment or payment information can be collected from the individual members and one payment can be forwarded to the vendor.

Once the deal is closed, the group may dissolve, or alternatively, some of the members may continue to try for an even better price.

It is apparent that a wide range of different working modes can be formed based on the invention without deviating from the its spirit and scope. Accordingly, this invention is not restricted by the specific embodiments disclosed herein. One skilled in the art may easily recognize numerous alternate approaches. For example, a skilled artisan will also recognize that the invention has been discussed in terms of both computer programs and systems utilizing hardware that perform similar functions, such as integrated circuits.

An ordinary artisan should require no additional explanation in developing the methods and systems described herein but may nevertheless find some possibly helpful guidance in the preparation of these methods and systems by examining standard reference works in the relevant art.

5   In general, in the following claims, the terms used should not be construed to limit the invention to the specific embodiments disclosed in the specification and the claims, but should be construed to include all such systems that operate under the claims set forth hereinbelow. Accordingly, the invention is not limited by the disclosure, but instead its scope is to be determined entirely by the following claims.

CLAIMS

What is claimed is:

1   1. A method for using a computer to facilitate a sales transaction for
2 the purchase of a product/service by a group of buyers from at least one seller,
3 comprising:
4   receiving into the computer requests to purchase the product/service by
5 buyers of the group;
6   forming a collective request for the purchase of the product/service based
7 upon the received buyer requests to purchase the product/service;
8   sending the collective request to the at least one seller;
9   receiving a suggested price quotation for the product/service from the at
10 least one seller;
11   notifying an agent entity of the received suggested price quotation price;
12   receiving purchase authorization from at least one buyer in the group to buy
13 the product/service at the received suggested price quotation.

1   2. The method of claim 1 wherein the agent entity is one of a buyer in
2 the group or the group.

1   3. The method of claim 1, further comprising:
2   collecting payment information from the at least one buyer in the group
3 who is interested in buying the product/service at the received suggested price quotation;
4 and
5   sending the collected payment information to the at least one seller.

1   4. The method of claim 3 wherein the payment information is in the
2 form of a credit card number for the at least one buyer in the group who is interested in
3 buying the product/service.

1   5.   The method of claim 1, further comprising:

2   receiving another suggested price quotation for the product/service from at

3   least another seller; and

4   notifying the agent entity of the received another suggested price quotation.

1   6.   The method of claim 5, further comprising:

2   allowing the at least another seller to review the received price quotation

3   for the product/service from the at least one seller.

1   7.   The method of claim 1 in which said computer is configured to

2   restrict buyers in the group to buyers matching a requirements list.

1   8.   The method of claim 7 wherein the requirements list includes as a

2   requirement that more than one buyer in the group have a common employer.

1   9.   The method of claim 1 wherein sending the collective request to the

2   at least one seller further comprises a price reduction request for the product/service

3   based on a number of buyers in the group.

1   10.   The method of claim 9 wherein the price reduction request further

2   includes a preexisting group discount rate of the at least one seller.

1   11.   The method of claim 1 wherein the received suggested price

2   quotation is based on a number of buyers in the group.

1   12.   The method of claim 1, further comprising:

2   receiving into the computer a group buy setup characteristics data set that

3   includes at least one of price targets for the product/service, buyer deadlines for joining

4   the group, buyer deadlines for submitting purchase authorization, and deadlines for

5   closing the sales transaction.

1   13.   The method of claim 1, further comprising:

2   providing a setup tool that facilitates receiving group buy setup

3 characteristics data that includes at least one of price targets for the product/service,

4 buyer deadlines for joining the group, and buyer deadlines for receiving purchase

5 authorization.

1   14.   The method of claim 1 wherein the computer is connected to an

2 electronic network and wherein the received requests to purchase the product/service are

3 received over the electronic network.

1   15.   The method of claim 14 wherein the electronic network is at least

2 one of the World Wide Web, the Internet, or an intranet.

1   16.   The method of claim 14 wherein the received requests to purchase

2 the product/service are received in a secured format.

1   17.   The method of claim 1 wherein the computer is connected to an

2 electronic network and wherein the received suggested price quotation for the

3 product/service is received over the electronic network.

1   18.   The method of claim 1, further comprising:

2   providing the agent entity with pre-negotiated prices for the product/service

3 from the at least one seller.

1   19.   The method of claim 1 wherein notifying the agent entity of the

2 received suggested price quotation comprises sending a message to the agent entity in a

3 format of at least one of an e-mail message, an Internet immediate message, a voice

4 message, a beeper message, or a facsimile message.

1   20. A method for using a computer to facilitate a sales transaction for

2   the purchase of a product/service from at least one seller, comprising:

3   receiving from the at least one seller at least one of an agreed price for the

4   product/service or a price reduction for the product/service for at least one group size;

5   receiving into the computer requests to purchase the product/service by

6   buyers, the buyers collectively forming a group;

7   monitoring the group to determine if the group has attained the at least one

8   group size; and

9   providing payment information to the at least one seller if the group attains

10   the at least one group size.

1   21.   The method of claim 20, further comprising:

2   requesting the at least one seller to honor the at least one of an agreed price

3   for the product/service or the price reduction for the product/service for the at least one

4   group size.

1   22.   The method of claim 20, further comprising:

2   collecting payment information from buyers in the group who have

3   submitted requests to purchase the product/service.

1   23.   The method of claim 22 wherein the payment information is in the

2   form of a credit card number for each buyer of the buyers in the group who are interested

3   in buying the product/service.

1   24.   The method of claim 20, further comprising:

2   receiving another suggested price quotation for the product/service from at

3   least another seller; and

4   notifying at least one buyer in the group of the received another suggested

5   price quotation.

1   25.   The method of claim 20, further comprising:

2   allowing at least another seller to review the at least one of an agreed price

3   for the product/service or the price reduction for the product/service for at least one group

4   size from the at least one seller.

1   26.   The method of claim 20 in which said computer is configured to

2   restrict buyers in the group to buyers matching a requirements list.

1   27.   The method of claim 26 wherein the requirements list includes as a

2   requirement that more than one buyer in the group have a common employer.

1   28.   The method of claim 20, further comprising:

2   receiving into the computer group buy setup characteristics data that

3   includes at least one of buyer deadlines for joining the group, buyer deadlines for

4   submitting purchase authorization, and deadlines for closing the sales transaction.

1   29.   The method of claim 20, further comprising:

2   providing a setup tool that facilitates receiving group buy setup

3   characteristics data that includes at least one of buyer deadlines for joining the group and

4   buyer deadlines for receiving purchase authorization.

1   30.   The method of claim 20 wherein the computer is connected to an

2   electronic network and wherein the received requests to purchase the product/service are

3   received over the electronic network.

1   31.   The method of claim 20 wherein the electronic network is at least

2   one of the World Wide Web, the Internet, or an intranet.

1   32.   The method of claim 31 wherein the received requests to purchase

2   the product/service are received in a secured format.

1   33.   The method of claim 20 wherein the computer is connected to an

2 electronic network and wherein the payment information is provided to the at least one

3 seller over the electronic network.

1   34.   The method of claim 20, further comprising:

2   notifying at least one buyer in the group that the group has attained the at

3 least one group size.

1   35.   The method of claim 34 wherein the buyer in the group is notified

2 via at least one of an e-mail message, an Internet immediate message, a voice message, a

3 beeper message, and a facsimile message.

1   36.   A computer-readable data transmission medium containing a data

2 structure that facilitates a sales transaction with a seller comprising:

3   (a)   a first portion that specifies a product/service for purchase by a

4 group comprised of more than one buyer;

5   (b)   a second portion that specifies a collective request by the group to

6 the purchase of the product/service;

7   (c)   a third portion that requests price information for the product/service

8 from the seller;

9   (d)   a fourth portion that specifies a time interval for which the collective

10 request remains active; and

11   (e)   a fifth portion that specifies at least a minimum sales quantity of the

12 product/service for which a price information is requested.

1   37.   The computer-readable data transmission medium of claim 36,

2 further comprising:

3   (f)   a sixth portion that specifies price information provided by a

4 competing seller of the product/service.

1   38. The computer-readable data transmission medium of claim 36,

2 further comprising:

3   (f) a sixth portion that specifies a number of buyers in the group.

1   39. The computer-readable data transmission medium of claim 36

2 wherein the first through fifth portions are configured for transmission to the seller in an

3 integral transmission.

1   40. A computer-readable data transmission medium containing a data

2 structure that facilitates a sales transaction with a buyer comprising:

3   (a) a first portion that specifies a product/service for which purchase has

4 been requested by the buyer;

5   (b) a second portion that identifies a group into which the buyer's

6 purchase request has been joined with other purchase requests for the same

7 product/service;

8   (c) a third portion that identifies a price quotation for the

9 product/service received from a seller; and

10   (d) a fourth portion that asks the buyer if the buyer will commit to

11 purchasing the product/service at the identified price quotation from the seller.

1   41. The computer-readable data transmission medium of claim 40,

2 further comprising:

3   (e) a fifth portion that solicits purchase information from the buyer if the

4 buyer is willing to commit to the purchase of the product/service.

1   42. The computer-readable data transmission medium of claim 40,

2 further comprising:

3   (e) a fifth portion that informs the buyer of a time period within which

4 the buyer must respond or be assumed to have made a purchase decision.

1   43.   The computer-readable data transmission medium of claim 42

2 wherein the purchase decision is one of purchasing the product/service or declining to

3 purchase the product/service.

1   44.   The computer-readable data transmission medium of claim 40

2   wherein the first through fourth portions are configured for transmission to the buyer in

3 an integral transmission.

1   45.   A   computer-readable   medium   having   computer-executable

2 instructions for using a computer to facilitate a sales transaction for the purchase of a

3 product/service by a group of buyers from at least one seller, comprising:

4   receiving into the computer requests to purchase the product/service by

5 buyers of the group;

6   forming a collective request for the purchase of the product/service based

7 upon the received buyer requests to purchase the product/service;

8   sending the collective request to the at least one seller;

9   receiving a suggested price quotation for the product/service from the at

10 least one seller;

11   notifying an agent entity of the received suggested price quotation; and

12   receiving purchase authorization from at least one buyer in the group to buy

13 the product/service at the received suggested price quotation.

1   46.   The computer-readable medium of claim 45 wherein the agent entity

2 is one of a buyer in the group or the group.

1   47.   The computer-readable medium of claim 45, further comprising:

2   collecting payment information for the at least one buyer in the group who

3 is interested in buying the product/service at the received suggested price quotation; and

4   sending the collected payment information to the at least one seller.

1   48.   The computer-readable medium of claim 45, further comprising:

2   receiving another suggested price quotation for the product/service from at

3 least another seller; and

4   notifying the at least one buyer in the group of the received another

5 suggested price quotation.

1   49.   The computer-readable medium of claim 45 wherein sending the

2 collective request to the at least one seller further comprises a price reduction request for

3 the product/service based on a number of buyers in the group.

1   50.   The computer-readable medium of claim 49 wherein the price

2 reduction request further includes a preexisting group discount rate from the at least one

3 seller.

1   51.   The computer-readable medium of claim 45 wherein the received

2 suggested price quotation is based on a number of buyers in the group.

1   52.   A computer-readable medium having computer-executable

2 instructions for using a computer to facilitate a sales transaction for the purchase of a

3 product/service from at least one seller, comprising:

4   receiving from the at least one seller at least one of an agreed price for the

5 product/service or a price reduction for the product/service for at least one group size;

6   receiving into the computer requests to purchase the product/service by

7 buyers, the buyers collectively forming a group;

8   monitoring the group to determine if the group has attained the at least one

9 group size; and

10   providing payment information to the at least one seller if the group attains

11 the at least one group size.

1   53.   The computer-readable medium of claim 52, further comprising:

2   requesting the at least one seller to honor the at least one of an agreed price

3   for the product/service or the price reduction for the product/service for the at least one

4   group size.

1   54.   The computer-readable medium of claim 52, further comprising:

2   collecting payment information from buyers in the group who have

3   submitted requests to purchase the product/service.

1   55.   The computer-readable medium of claim 52 wherein the payment

2   information is in the form of a credit card number for each buyer of the buyers in the

3   group who are interested in buying the product/service.

1   56.   A system for facilitating a sales transaction for the purchase of a

2   product/service by a group of buyers from at least one seller, comprising:

3   a purchase request receiver configured to receive a request to purchase the

4   product/service by at least one buyer of the group;

5   a collective request former configured to form a collective request for the

6   purchase of the product/service based upon the received requests to purchase the

7   product/service;

8   a transmitter configured to send the collective request to the at least one

9   seller;

10   a price quotation receiver configured to receive a suggested price quotation

11   for the product/service from the at least one seller; and

12   a price quotation notifier configured to notify an agent entity of the

13   received suggested price quotation.

1   57.   The system of claim 56 wherein the agent entity is at least one buyer

2   in the group and wherein the price quotation notifier is further configured to receive

3 purchase authorization from the at least one buyer in the group who is interested in

4 buying the product/service at the received suggested price quotation.

1 58. The system of claim 56, further comprising:

2 a payment collector configured to collect payment information from the

3 buyers in the group who are interested in buying the product /service at the received

4 suggested price quotation and send the collected payment information to the at least one

5 seller.

1 59. The system of claim 58 wherein the payment collector processes

2 payment information in the form of a credit card number for the buyers in the group who

3 are interested in buying the product/service.

1 60. The system of claim 56 wherein the price quotation notifier is further

2 configured to notify the agent entity of a received another suggested price quotation if the

3 price quotation receiver receives another suggested price quotation for the

4 product/service from at least another seller.

1 61. The system of claim 56, further comprising:

2 a price quotation repository that allows at least another seller to review the

3 received price quotation for the product/service from the at least one seller.

1 62. The system of claim 56 wherein the purchase request receiver is

2 further configured to restrict buyers in the group to buyers matching a requirements list.

1 63. The system of claim 62 wherein the requirements list includes as a

2 requirement that more than one buyer in the group have a common employer.

1 64. The system of claim 56 wherein the collective request former is

2 further configured to form the collective request for the purchase of the product/service to

3 include a price reduction request for the product/service based on a number of buyers in

4   the group.

1   65.   The system of claim 64 wherein the price reduction request further

2   includes a preexisting group discount rate of the at least one seller.

1   66.   The system of claim 56 wherein the collective request former

2   includes a number of buyers in the group in the collective request.

1   67.   The system of claim 56, further comprising:

2   a setup tool configured to establish group buy setup characteristics data that

3   includes at least one of price targets for the product/service, buyer deadlines for joining

4   the group, buyer deadlines for receiving purchase authorization, and deadlines for closing

5   the sales transaction.

1   68.   The system of claim 56 wherein the purchase request receiver is

2   connected to an electronic network and wherein the purchase request receiver receives

3   requests to purchase the product/service over the electronic network.

1   69.   The system of claim 68 wherein the electronic network is at least

2   one of the World Wide Web, the Internet, or an intranet.

1   70.   The system of claim 68 wherein the purchase request receiver is

2   further configured to receive requests to purchase the product/service in a secured format.

1   71.   The system of claim 56 wherein the price quotation receiver is

2   connected to an electronic network and wherein the price quotation receiver receives

3   suggested price quotations for the product/service over the electronic network.

1   72.   The system of claim 56, further comprising:

2   a purchase database configured to provide the buyers of the group with pre-

3   negotiated prices for the product/service from the at least one seller.

1   73.   The system of claim 56 wherein the price quotation notifier is further

2   configured to notify at least one buyer in the group of the received suggested price

3   quotation by preparing a message to the buyer in a format of at least one of an e-mail

4   message, Internet immediate message, voice message, beeper message, and facsimile

5   message.

1   74.   A system for facilitating a sales transaction for the purchase of a

2   product/service from at least one seller, comprising:

3   a memory configured to retain at least one of an agreed price for the

4   product/service from the at least one seller or a price reduction for the product/service for

5   at least one group size from the at least one seller;

6   a purchase request receiver configured to receive requests to purchase the

7   product/service by buyers, the buyers collectively forming a group;

8   a group monitor configured to monitor the group to determine if the group

9   has attained the at least one group size; and

10   a payment provider configured to provide payment information to the at

11   least one seller if the group monitor indicates that the group has attained the at least one

12   group size.

1   75.   The system of claim 74, further comprising:

2   a sale manager configured to request the at least one seller to honor the at

3   least one of an agreed price for the product/service or the price reduction for the

4   product/service for the at least one group size.

1   76.   The system of claim 74, further comprising:

2   a payment collector configured to collect payment information from buyers

3   in the group who have submitted requests to purchase the product/service.

1   77.   The method of claim 76 wherein the payment information is in the

2 form of a credit card number for each buyer in the group who is interested in buying the

3 product/service.

1 78. The system of claim 74 wherein the memory is further configured to

2 retain another suggested price quotation for the product/service from at least another

3 seller, the system further comprising:

4 a price notifier configured to notify each of the buyers in the group of the

5 received another suggested price quotation.

1 79. The system of claim 74 wherein the memory is further configured to

2 allow at least another seller to review the at least one of an agreed price for the

3 product/service or the price reduction for the product/service for at least one group size

4 from the at least one seller.

1 80. The system of claim 74 in which the purchase request receiver is

2 configured to restrict buyers in the group to buyers matching a requirements list.

1 81. The method of claim 80 wherein the requirements list includes as a

2 requirement that more than one buyer in the group have a common employer.

1 82. The system of claim 74, further comprising:

2 a setup tool configured to provide a group buy setup characteristics data

3 that includes at least one of buyer deadlines for joining the group, buyer deadlines for

4 receiving purchase authorization, and deadlines for closing the sales transaction.

1 83. The system of claim 74 wherein the purchase request receiver is

2 connected to an electronic network and wherein the purchase request receiver is further

3 configured to receive requests to purchase the product/service over the electronic

4 network.

1 84. The system of claim 83 wherein the electronic network is at least

2   one of the World Wide Web, the Internet, or an intranet.

1   85.   The system of claim 83 wherein the purchase request receiver is

2   further configured to receive requests to purchase the product/service in a secured format.

1   86.   The system of claim 74 wherein the payment provider is connected

2   to an electronic network and wherein the payment provider is further configured to

3   provide the payment information to the at least one seller over the electronic network.

1   87.   The system of claim 74, further comprising:

2   a group-buying notifier configured to notify at least one buyer in the group

3   that the group has attained the at least one group size.

1   88.   The system of claim 87 wherein the at least one buyer is notified via

2   at least one of an e-mail message, Internet immediate message, voice message, beeper

3   message, and facsimile message.

METHOD AND APPARATUS FOR CREATING AND MANAGING GROUPS FOR INCREASING BUYING POWER ON THE WORLD WIDE WEB

ABSTRACT OF THE DISCLOSURE

5

A method and system are provided for using a computer to facilitate a sales transaction between a group of buyers and at least one seller. Potential buyers may create a group organized for purchasing a product/service from one or more sellers. The computer system may output the buyers' collective request for the product/service to one

10 or more sellers of the requested item. The sellers may respond by providing a price quotation for the requested item, often on the basis of the number of such items to be purchased by the group. The computer system notifies group members of the submitted seller quotations, in response to which some buyers may commit themselves to purchasing the item at the specified price or otherwise indicating a price at which they

15 would be willing to commit to purchasing the item. Sellers may review the price quotations submitted by other sellers and submit competing price quotations. In a typical arrangement, an iterative process ensues in which sellers offer lower and lower prices for the requested products/services until reaching a point at which one or more buyers in the group are sufficiently comfortable with the price to commit themselves to purchasing the

20 product/service.

```
          ┌─────────────────────────────────┐
          │   Choose a Product Category     │────101
          └─────────────────────────────────┘
                          │
                          ▼
 ┌──────────────────────────────────────────────────┐
 │              Use Compare.net-like                  │
 │       summaries to define product parameters;      │
 │       for each product parameter  define levels:   │────103
 │           "must", "prefer", "indifferent"          │
 │                                                    │
 │  Output:  Single product, or a product param list  │
 └──────────────────────────────────────────────────┘
                          │
                          ▼
        ┌──────────────────────────────────┐
        │   Search for current retail prices │
        │          (shopping agent)          │────105
        │          Or Special deals          │
        │            (like dealtime)         │
        └──────────────────────────────────┘
                          │
                          ▼
```

107

                                                                    109

Buy Now?   Yes   ┌──────────────┐
                             │ Exit System: │
                             │ buy product at│
                             │   selected   │
                             │   vendor   │
                             └──────────────┘

                  No

        ┌──────────────┐
        │ Do not buy │────111
        │   now   │
        └──────────────┘

FIG. 1

FIG. 2

```
                    ┌─────────────────────────┐
            301 ────┤   Select requested price │
                    │      or price range      │
                    └─────────────────────────┘
                                │
                                ▼
                    ┌─────────────────────────┐
                    │   Choose deadlines for:  │
                    │    1. Vendor Offer       │──── 303
                    │ 2. Group joining/commitment│
                    │    3. Deal close         │
                    └─────────────────────────┘
                        ╱                   ╲
         305 ─────    ╱                       ╲     ───── 307
          ┌─────────────────┐        ┌─────────────────────────┐
          │  Notify Vendors │        │ Notify friend/other buyers│
          └─────────────────┘        └─────────────────────────┘
                        ╲                   ╱
                          ╲               ╱
                    ┌─────────────────────┐
                    │   Group set-up end  │
                    └─────────────────────┘
                                        ╲ 309
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FIG. 3

Group/Vendor
Interaction

401

| Vendor searches for groups of interest | OR | Vendor get notified on relevant groups |

403

405 Vendor submit bid

409

Other vendors notified

Notify group members

407

Vendor reviews/notified on bid position
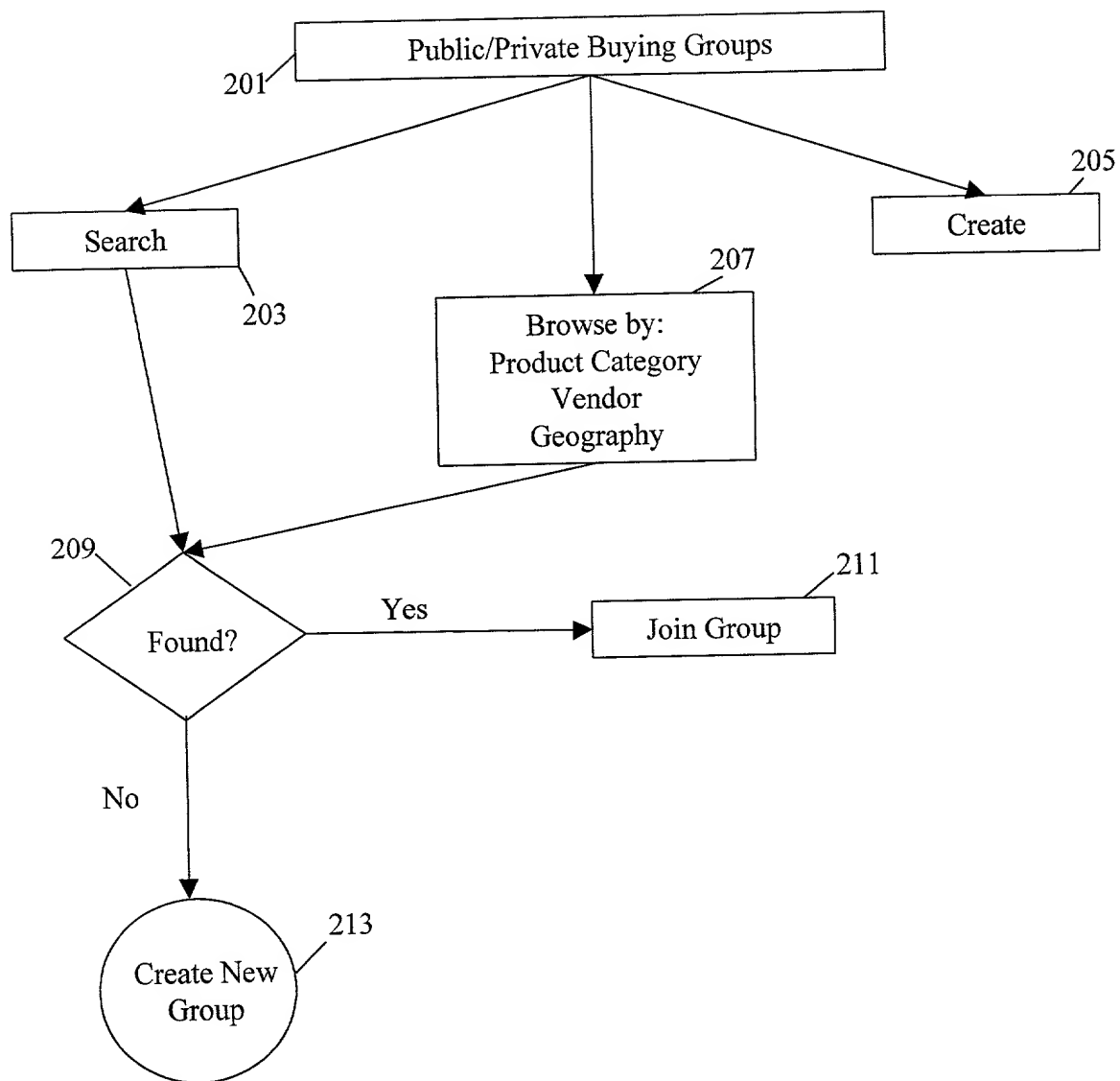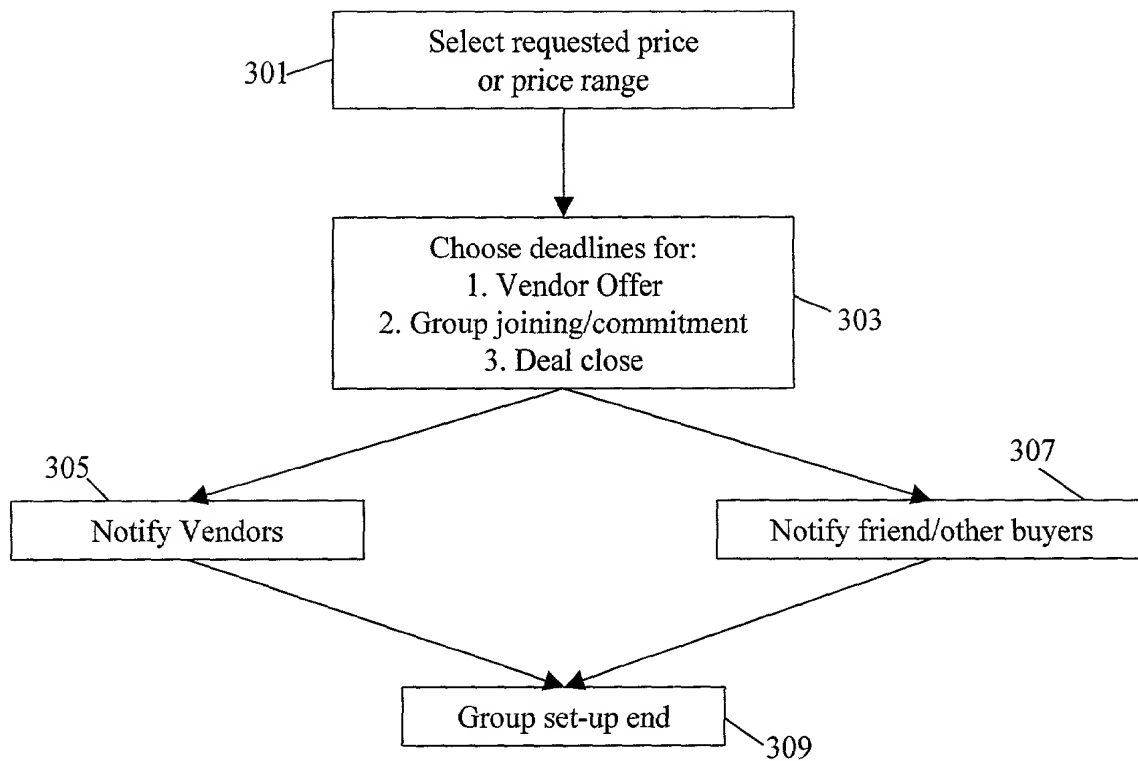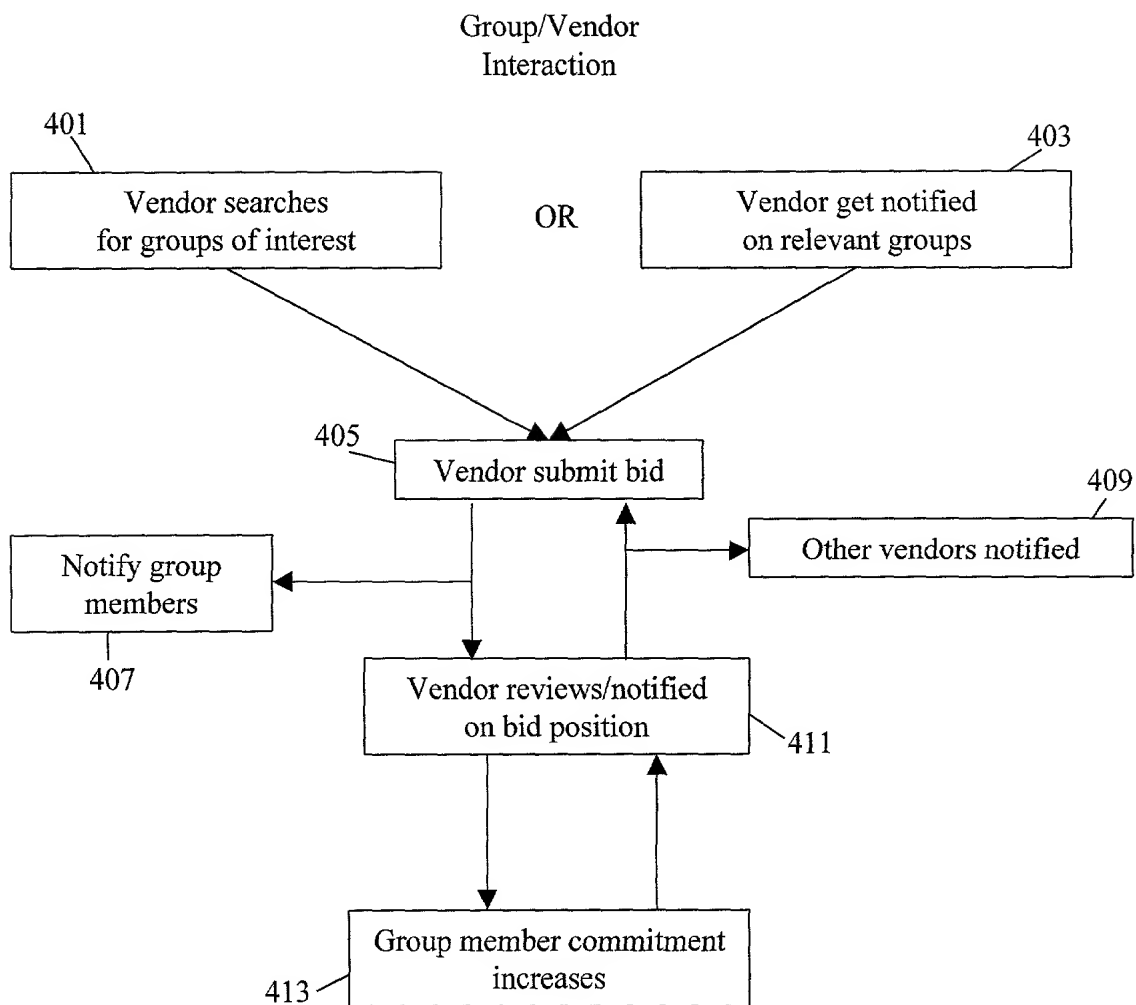
411

413 Group member commitment increases
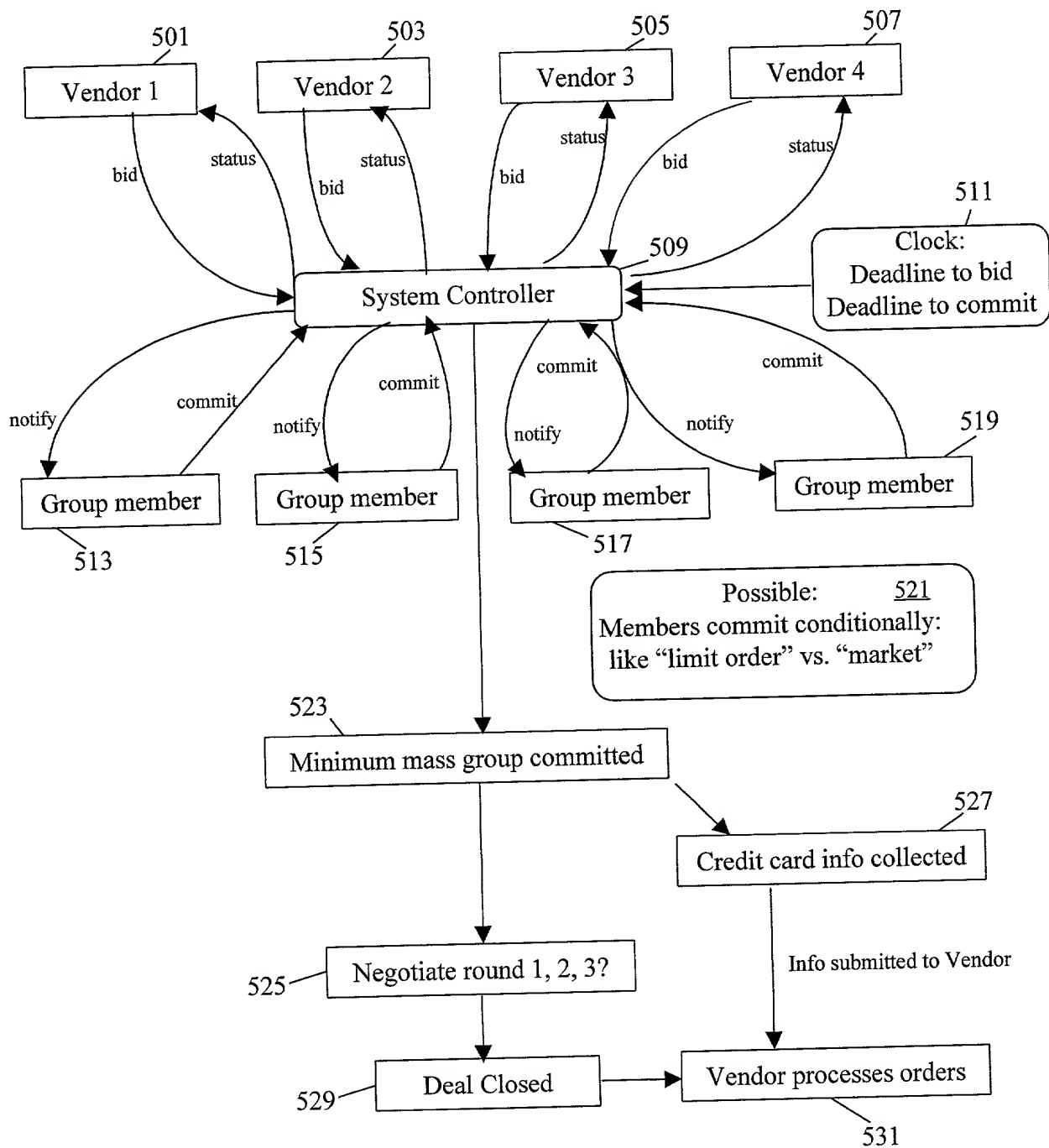
FIG. 4

Group Commit
Escalation Process

FIG. 5

DECLARATION AND POWER OF ATTORNEY

As a below named inventor, I hereby declare that:

My residence, post office address and citizenship are as stated next to my name.

I believe I am the original, first and sole inventor (if only one name is listed below) or an original, first and joint inventor (if plural names are listed below) of the subject matter which is claimed and for which a patent is sought on the invention entitled:

METHOD AND APPARATUS FOR CREATING AND MANAGING GROUPS FOR
INCREASING BUYING POWER ON THE WORLD WIDE WEB

the specification of which:

[X]   is attached hereto and identified as Attorney Docket No. MCTA004/01US

[]   was filed on _____ and identified as Attorney Docket No. _____.

[]   was filed on [], as Application Serial No. [].

and

[]   the amendment(s) of which were filed on [].

I hereby state that I have reviewed and understand the contents of the above-identified specification, including the claims, as amended by any amendment referred to above.

I acknowledge the duty to disclose information which is material to the examination of this application in accordance with Title 37, Code of Federal Regulations, Section 1.56.

I hereby claim foreign priority benefits under Title 35, United States Code, Section 119 of any foreign application(s) for patent or inventor's certificate listed below and have also identified below any foreign application for patent or inventor's certificate having a filing date before that of the application on which priority is claimed:

Prior Foreign Application(s) (Country) (Number) (Day/Month/Year Filed)   Priority Claimed (Yes/No)

_____   _____

_____   _____

I hereby claim the benefit under Title 35, United States Code, § 119(e) of any United States provisional application(s) listed below.

60/119,220	February 8, 1999
(Application Number)	(Filing Date)

I hereby claim the benefit, under Title 35, United States Code, Section 120, of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United States Code, Section 112, I acknowledge the duty to disclose material information, as defined in Title 37, Code of Federal Regulations, Section 1.56(a), which occurred between the filing date of the prior application and the national or PCT international filing date of this application:

Appl. Ser. No.	Filing Date	Status (Pat'd./Pend./Aband.)

I hereby appoint:

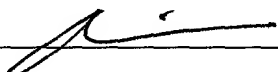|			
Alexandra J. Baran	39,101	Craig P. Opperman	37,078
Aaron S. Brodsky	39,920	Marya A. Postner	42,085
Shelley P. Eberle	31,411	Susan L. Preston	32,591
Thomas L. Ewing	34,328	Michelle S. Rhyu	41,268
Karen E. Flick	44,111	Bryan D. Richardson	43,043
Richard M. Goldman	25,585	Howard R. Richman	41,451
Willis E. Higgins	23,025	Gurjeev K. Sachdeva	37,434
Duane S. Kobayashi	41,122	C. Scott Talbot	34,262
Peter R. Leal	24,226	Rick A. Toering	43,195
Marcella Lillis	36,583	Peter J. Yim	44,417
Tom M. Moran	26,314	Kevin J. Zimmer	36,977
Richard L. Neeley	30,092		

as my attorneys and agents with full power of substitution and revocation to prosecute my above-identified application for Letters Patent and to transact all business in the Patent Office connected therewith.

I further direct that correspondence concerning this application be directed to

COOLEY GODWARD LLP
Attention: Patent Group
Five Palo Alto Square
3000 El Camino Real
Palo Alto, California 94306-2155
Telephone (650) 843-5000.
Facsimile (650) 857-0663

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Full name of sole or First Inventor: Amir ALON

Inventor's signature _____ Date _____

Residence: Sunnyvale, California

Citizen of: United States of America

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                              Sunnyvale, CA 94087-3517

Full name of Second Inventor: Ilan JUDKIEWICZ

Inventor's signature _____ Date _____

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Citizen of: Israel

Post Office Address: 11 Keren Hayesod St., Apt. 34
                              Givat Shmuel, Israel

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Appl. Ser. No.	Filing Date	Status (Pat'd./Pend./Aband.)

I hereby appoint:

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Full name of sole or First Inventor: Amir ALON

Inventor's signature _____Date _____

Residence:	Sunnyvale, California
Citizen of:	United States of America
Post Office Address:	837 Duncardine Way Sunnyvale, CA 94087-3517

Full name of Second Inventor: Ilan JUDKIEWICZ

Inventor's signature _____Date _____ 1/25/00 _____

Residence:	Givat Shmuel, Israel
Citizen of:	Israel
Post Office Address:	11 Keren Hayesod St., Apt. 34 Givat Shmuel, Israel

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